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LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
BUSTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the District's Finance office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-28-19

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 RUSTON, LOUISIANA
 GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

CONTENTS

	Page
Independent Auditor's Report-----	1-2
Management's Discussion & Analysis-----	3-5
Governmental Activities:	
Government-Wide Financial Statements:	
Statement of Net Assets-----	6
Statement of Activities-----	7
Fund Financial Statements:	
Balance Sheet - Governmental Funds-----	8
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities-----	9
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds-----	10
Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities-----	11
Notes to Financial Statements-----	12-22
Budgetary Comparison Schedules:	
General Fund-----	23
Debt Service Fund-----	24
Equipment Reserve Fund-----	25
Fire Training Center-----	26
Other Supplemental Information-Grant Information	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Governmental Auditing Standards-----	27-28
Schedule of Expenditures of Federal Awards-----	29
Schedule of Findings and Questioned Costs-----	30
Schedule of Prior Year Findings-----	31

WILLIAM R. HULSEY

PROFESSIONAL ACCOUNTING CORPORATION
211 PEARSON LANE B
BRIARCLIFF, LOUISIANA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

MAILING ADDRESS
P.O. BOX 2081
MONROE, LOUISIANA 70001
(504) 332-9900
FAX: (504) 332-9901

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Lincoln Parish Fire Protection District No. 1
Baton Rouge, Louisiana

I have audited the accompanying financial statements of the governmental activities and the fund information of the Lincoln Parish Fire Protection District No. 1, as of and for the year ended December 31, 2003, which collectively comprise the basic financial statements of the District as listed in the table of contents. These financial statements are the responsibility of the Lincoln Parish Fire Protection District No. 1's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and fund information for the Lincoln Parish Fire Protection District No. 1 as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

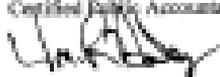
In accordance with Government Auditing Standards, I have also issued my report dated May 20, 2004, on my consideration of the Lincoln Parish Fire Protection District No. 1's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

As described in Note 1, the District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of December 31, 2003.

Management's discussion and analysis and budgetary comparison information on pages 2 through 3 and 22 through 25, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express an opinion on it.

My audit was performed for the purpose of forming an opinion on the component unit financial statements of the Humanitarian Enterprises of Lincoln Parish taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the component unit financial statements. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the component unit financial statements taken as a whole.

WILLIAM R. HULSEY
Certified Public Accountant



May 28, 2004

**REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS**

LINCOLN PARISH FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the District provides an overview of the District's activities for the year ended December 31, 2003. Please read it in conjunction with the District's financial statements.

READING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole.

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. The District's net assets - the difference between assets and liabilities - measures the District's financial position. The increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating.

THE DISTRICT AS A WHOLE

For the year ended December 31, 2003, net assets changed as follows:

Beginning Net Assets	\$ 2,461,855
Increase in Net Assets	<u>380,848</u>
Ending Net Assets	<u>\$ 2,842,704</u>

THE DISTRICT'S FUNDS

The following schedule presents a summary of revenues and expenditures for the year ended December 31, 2003.

Revenues	Amount	Percent of Total
Sales and use tax	\$ 276,534	28.33%
Fees and other tax revenue	480,180	52.14%
Grants	59,850	6.28%
Other Revenues	<u>116,607</u>	<u>12.25%</u>
Total Revenues	<u>\$ 933,171</u>	<u>100.00%</u>

<u>Expenditures</u>		
Public Safety	\$ 451,165	52.11%
Debt service - Principal	300,800	36.31%
Debt Service - Interest	50,875	6.07%
Capital Outlay	<u>47,838</u>	<u>5.81%</u>
Total Expenditures	<u>\$ 850,678</u>	<u>100.00%</u>

BUDGETARY HIGHLIGHTS

The District's total revenues in 2003 were more than the final budget by \$30,213. Actual expenditures for the District in 2003 were more than the final budget by \$11,304. This variance reflects the increase in prisoner related charges.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2003, the District had \$3,526,279 invested in capital assets including buildings and improvements, vehicles, machinery and equipment, and land (see table below).

<u>Asset</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Vehicles	1,488,808	(1,475,842)	12,966
Machinery and equipment	<u>2,037,471</u>	<u>(1,832,518)</u>	<u>204,953</u>
Total	<u>3,526,279</u>	<u>(3,408,360)</u>	<u>117,919</u>

This year's additions included \$40,798 in machinery and equipment.

Debt

At year end, the District had a total of \$1,015,000 in general obligation refunding bonds, Series 2001, outstanding. The bonds bear an interest rate of 4.35% and are due to mature in April, 2006. In addition, the District had a total liability of \$14,015 for compensated absences.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's revenues are derived mainly from a special sales and use tax and charges for fees. The District does not anticipate any major increases or decreases in these revenue sources.

CONTACTING THE District's FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the following:

Contact Person: Dennis Ford
Title: Director

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 BOSTON, LOUISIANA
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2003

	Governmental Activities
ASSETS	
Cash	\$ 1,376,436
Investments	1,629,841
Accounts Receivable	754,664
Prepaid Expenses	27
Capital Assets:	
Depreciable	125,218
TOTAL ASSETS	\$ 3,905,976
LIABILITIES	
Accounts Payable	\$ 34,949
Non-Current Liabilities	
Due Within One Year	
Bonds Payable	338,080
Compensated Absences	423
Due in More Than One Year	
Bonds Payable	695,080
Total Liabilities	1,073,532
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	125,218
Unrestricted	3,728,186
Total Net Assets	3,853,404
TOTAL LIABILITIES AND NET ASSETS	\$ 3,905,976

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 BOSSON, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2003

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets Governmental Activities
		Charges for Services	Operating, Grants and Contributions	
Government Activities:				
Public Safety	\$ 565,642	\$ 499,108	\$ 99,858	\$ -
				\$ (7,182)

General Revenues:

Sales Taxes	278,134
Fire Insurance Rebate	17,211
Sale of Surplus Property	19,423
Interest Earned	61,973
Total General Revenues	398,111
Changes in Net Assets	390,549
Net Assets - Beginning	2,463,055
Net Assets - Ending	<u>\$ 2,853,604</u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 BOSTON, LOUISIANA
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 DECEMBER 31, 2003

	General Fund	Debt Service Fund	Equipment Reserve Fund	Fire Training Center	Total Governmental Funds
ASSETS					
Cash	\$ 88,818	\$ 297,482	\$ 649,238	\$ 318,868	\$ 1,354,406
Investments	53,283	-	1,576,458	-	1,629,741
Receivables (net of allowance)	398,719	334,345	-	-	733,064
Prepaid expenses	27	-	-	-	27
TOTAL ASSETS	\$ 1,442,667	\$ 631,827	\$ 2,225,696	\$ 318,868	\$ 3,588,758
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 16,718	\$ -	\$ -	\$ 39	\$ 16,757
Due to other fund	28,027	-	-	181	28,208
Total Liabilities	44,745	-	-	220	44,965
Fund Balances:					
Reserved For:					
Debt Service	-	631,217	-	-	631,217
Unreserved, Reported In:					
General Fund	966,223	-	2,225,696	-	3,191,919
Capital Project Fund	-	-	-	329,664	329,664
Total Fund Balances	966,223	631,217	2,225,696	329,664	3,742,800
TOTAL LIABILITIES AND FUND BALANCES	\$ 141,968	\$ 631,217	\$ 2,225,696	\$ 329,884	\$ 3,780,758

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 BOSTON, LOUISIANA
 RECONCILIATION OF TOTAL GOVERNMENTAL
 FUND BALANCES TO NET ASSETS OF
 GOVERNMENTAL ACTIVITIES
 DECEMBER 31, 2003

Total Governmental Fund Balances	\$ 3,740,809
<i>Amounts reported for governmental activities in the statement of net assets are different:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	125,218
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,815,423)</u>
Net Assets of Governmental Activities	<u>\$ 2,851,604</u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 BOSTON, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	General Fund	Debt Service Fund	Equipment Reserve Fund	Fire Training Center	Total Governmental Funds
Revenues:					
Taxes	\$ -	\$ 278,534	\$ -	\$ -	\$ 278,534
Fees and other non-tax revenues	489,308	-	-	-	489,308
Grants	14,950	-	-	25,000	59,950
Other revenues	73,741	1,086	39,442	3,118	118,807
	<u>606,791</u>	<u>282,840</u>	<u>39,442</u>	<u>28,118</u>	<u>957,191</u>
Total revenues					
Expenditures:					
Current:					
Public safety					
Salaries and benefits	277,967	-	-	-	277,967
Insurance and surety bonds	31,250	-	-	-	31,250
GIS Mapping	39,080	-	-	-	39,080
Professional services	6,459	-	-	9,972	16,431
Uniforms	15,231	-	-	-	15,231
Utilities	22,791	-	-	-	22,791
Vehicle expenditures	13,998	-	-	-	13,998
Maintenance	28,948	-	-	884	27,832
Education and training	1,137	-	-	-	1,137
Telephones	3,855	-	-	-	3,855
Office supplies	2,441	-	-	41	2,482
Pub/Debt/Severip.	3,296	-	-	-	3,296
Equipment rental	647	-	-	-	647
Travel	1,086	-	-	-	1,086
Miscellaneous	858	150	-	-	1,008
Lenses and taxes	806	-	-	-	806
Materials and supplies	6,817	-	-	-	6,817
Construction cost	-	-	-	3,799	3,799
Debt Int-Principal	-	300,000	-	-	300,000
Debt Int-Interest & Fees	-	58,678	-	-	58,678
Capital outlay	47,638	-	-	-	47,638
	<u>485,365</u>	<u>351,028</u>	<u>-</u>	<u>13,806</u>	<u>849,499</u>
Total expenditures					
Excess (Deficiency) of Revenues Over Expenditures	<u>120,926</u>	<u>-68,188</u>	<u>39,442</u>	<u>15,512</u>	<u>107,692</u>
Other financing sources (uses):					
Operating transfers in	-	-	95,926	25,000	120,926
Operating transfers out	(120,926)	-	-	-	(120,926)
Total Other Financing Sources (Uses)	<u>(120,926)</u>	<u>-</u>	<u>95,926</u>	<u>25,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-68,188</u>	<u>135,368</u>	<u>40,512</u>	<u>107,692</u>
Fund balance, beginning	508,790	740,413	1,898,328	299,152	3,646,683
Price period adjustment	432	-	-	-	432
	<u>509,222</u>	<u>740,413</u>	<u>1,898,328</u>	<u>299,152</u>	<u>3,647,115</u>
Fund balance, ending	<u>\$ 506,222</u>	<u>\$ 672,225</u>	<u>\$ 1,279,699</u>	<u>\$ 118,664</u>	<u>\$ 3,576,810</u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 BOSSON, LOUISIANA
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2003

Net Change in Fund Balances - Total Governmental Funds \$ 107,692

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital assets purchases capitalized	43,798
Depreciation Expense	(64,941)
	(21,143)

Repayment of debt principle is an expenditure in the governmental funds, but the repayment reduces long-term debt liabilities in the statement of net assets.

300,000

Change in Net Assets in Governmental Activities \$ 380,548

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincoln Parish Fire Protection District No. 1 (the "District") of Ruston, Louisiana was created by resolution and adopted by the Police Jury on April 23, 1991. The governing body of the District consists of a seven member Board of Commissioners. Four of these commissioners are appointed by the municipalities of Doverville, Dubach, Simsboro, and the Town of Vicma. Three additional members are appointed by the Police Jury.

The District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless these pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note. For the fiscal year ended December 31, 2003, the District has adopted the new financial reporting requirements of GASB Statement No. 33 and 34. As a result, an entirely new financial presentation format has been implemented.

Basis of Presentation

In June, 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the Districts' overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements. The District has elected to implement the general provisions of the Statement in the current year and plans to report capital assets acquired prior to December 31, 2003.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
BUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The governmental-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period.

Principal revenue sources considered susceptible to accrual: ad valorem taxes, structure fees and interest on investments. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the District's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' varied annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2003 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

LINCOLN PARISH FIRE PROTECTION DISTRICT, I
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Basis, Basis of Accounting and Financial Statement Presentation (Continued)

Fund Accounting

The financial activities of the District are recorded in individual funds, each of which is deemed to be a separate accounting entity. The District uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

General Fund - This fund is established to account for resources devoted to financing the general services that the District performs. Fees and other revenues used to finance the fundamental operations of the District are included in this fund. The fund is charged with all costs of operating the District for which a separate fund has not been established.

Debt Service Fund - This fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds and Special Assessment Funds.

Equipment Replacement Fund - This fund is established to reserve funds for the replacement of equipment when necessary.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Budgets and Budgetary Accounting

The budgets for the funds are prepared by the Director and formally adopted by the Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles. Budgetary encumbrances involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require approval of the Commissioners. At year end, all appropriations lapse.

LINCOLN PARISH FIRE PROTECTION DISTRICT, I
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Louisiana statutes permit the District to invest in United States' bonds, treasury notes, or certificates, or other obligations of the U.S. Government and agencies of the U.S. Government which are federally insured, and certificates of deposit of state banks having their principal office in the State of Louisiana, or in mutual or trust fund institutions which are registered and which have underlying investments limited to securities of the U.S. Government or its agencies.

The District's policy is to include short-term interest bearing deposits having a maturity of three months or less as cash equivalents in the financial statements.

Valuation of Carrying Amounts and Deposits

Cash is reported at net book value—the year-end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the bank as of that date.

Fund Equity

Equity is classified as net assets and displayed in three components:

- a. **Invested in capital assets, net of related debt** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted net assets** - Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. There were no restricted net assets at December 31, 2003.
- c. **Unrestricted net assets** - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

LINCOLN PARISH FIRE PROTECTION DISTRICT, I
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Interfund Receivables and Payables

Due To and Due From Other Funds

Interfund receivables and payables arising from interfund transactions expected to be repaid in the next accounting cycle are recorded by all funds affected in the period in which transactions are executed. Interfund receivables and payables have not been eliminated on the combined balance sheet.

Interfund Transactions

Quasi-external transactions are accounted for as revenue and expenditures. Transactions that constitute reimbursements to a fund are recorded as expenditures in the reimbursing fund and as reduction of expenditures in the fund that is reimbursed. All other interfund transactions that are not to be repaid are recorded as transfers.

Fixed Assets

Fixed assets of the District are stated at cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets are charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of 3 years.

Compensated Absences

The following annual and sick leave policies are in effect:

Employees accrue from five to fifteen days of annual and sick leave each year depending on years of service with the District. Annual leave must be used in the year it is earned. Sick leave, up to a maximum of fifteen days, may be carried forward to the next year for major illnesses only. Upon separation, all unused sick leave lapses.

The accrued vacation and sick time will be liquidated primarily by the General Fund. Payment of compensated absences is dependent upon many factors; therefore, the timing of future payments is not readily determinable.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 HUSTON, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS

At year end, the carrying amount of the District's deposits was \$3,376,426, while the bank balance was \$1,853,880. The bank balance is categorized as follows:

Amount insured by FDIC and FSLIC	\$ 300,000
Amount collateralized with securities held by the pledging financial institution's agent in the District's name	753,880
Total bank balance	\$1,853,880

NOTE 3 - PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31 is as follows:

	2002 Balance	Additions	Disposals	2003 Balance
Depreciable Assets:				
Vehicles	\$1,699,636	\$ -	\$ -	\$1,699,636
Machinery & Equipment	1,878,845	47,798	-	2,026,643
Totals at Historical Cost	3,578,481	47,798	-	3,526,279
Less Accumulated Depreciation for:				
Vehicles	(1,444,768)	(33,774)	-	(1,478,542)
Machinery & Equipment	(1,891,353)	(31,167)	-	(1,922,520)
Total Accumulated Depreciation	(3,336,121)	(64,941)	-	(3,401,061)
CAPITAL ASSETS, NET	\$ 142,360	\$ 17,142	\$ -	\$ 125,218

Depreciation was charged to the Public Safety function of the District for \$64,941.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 RUSTON, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 4 - INVESTMENTS

Investing is performed in accordance with investment policies complying with state statutes and the District's charter. The investments of the District are categorized to give an indication of the level of risk assumed by the District at December 31, 2003. The categories are described as follows:

- Category 1 - Insured or registered, with securities held by the entity or its agents in the entity's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, in its trust department in the entity's name.

Investments categorized by level of risk, are:

	1	Category 2	3	Carrying Amount	Fair Value
U.S. Government securities	\$1,629,841	\$ -	\$ -	\$1,629,841	\$1,629,841
Total Investments	\$1,629,841	\$ -	\$ -	\$1,629,841	\$1,629,841

NOTE 5 - ACCOUNTS RECEIVABLE

Property taxes, structure fees, and other receivables are shown net of an allowance for doubtful accounts.

	Total Receivable	Allowance for Doubtful Accounts	Net Receivable
Ad Valorem Taxes	\$ 448,455	\$ 73,399	\$ 375,056
Structure Fees	557,183	157,465	399,718
Other Receivables	4,500	4,500	-
Total	\$1,010,138	\$ 235,364	\$ 774,774

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 - PENSION PLAN - FIREFIGHTERS' RETIREMENT SYSTEM

Plan Description

The Firefighters' Retirement System is a defined benefit pension plan covering firefighters employed by any municipality, parish, or fire protection district of the State of Louisiana under the provisions of Louisiana Revised Statutes 11:2251 through 2269.

Under the Firefighters' Retirement System, a member is eligible for normal retirement if he has:

- 20 or more years of service and has attained age 50 or
- 12 years of service and has attained age 55 or
- 25 years of service at any age.

Those employees meeting one of these requirements are entitled to annual pension benefits equal to 1 1/7% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Benefits vest upon rendering 12 years of service to the District. Employees may elect to receive their pension benefits in the form of joint and survivor annuity. The District's total payroll for the year ended December 31, 2009 was \$185,613 of which \$185,613 was the covered payroll for employees in the Firefighters' Retirement System. The District has four employees covered under this retirement system.

NOTE 7 - LEASE OBLIGATIONS

The Lincoln Parish Fire Protection District has entered into twenty leases for real property on which to locate fire stations. The leases have various commencing dates beginning in April 1983, and running through April 1994. All leases run for twenty-five years following the commencing date with an option for the district to renew the lease for an additional twenty-five years thereafter. All leases are for \$1 per year. Leases shall expire on their own terms if a fire station, fire protection facility or other similar structure is not constructed on the leased premises within twenty-four months from the date the agreement is executed by the lessee. Additionally, leases shall expire if the fire station, fire protection facility or other similar structure is not equipped with appropriate fire protection equipment or ceases to be used as a fire protection facility for a period of twenty-four consecutive months.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 RUSTON, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 7 - LEASE OBLIGATIONS (continued)

Because the leases are operating leases, no provision for the underlying property has been made in general fixed assets nor have the leases been reflected as general long term debt. The following is a schedule of future minimum lease payments:

Year Ending December 31,	Amount
2004	\$ 30
2005	30
2006	30
2007	30
2008	30
Later Years	<u>260</u>
Total minimum payments required	<u>\$ 380</u>

NOTE 8 - BONDS PAYABLE

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due Within One Year
Government Activities:					
Bonds Payable:					
General Obligation					
Refunding Bonds, Series 2001	\$ 1,313,000	\$ -	\$ 308,000	\$ 1,005,000	\$ 320,000
Accrued Vacations and Sick Time	<u>6,422</u>	<u>-----</u>	<u>6,422</u>	<u>422</u>	<u>422</u>
Total Governmental Activities					
Long-Term Debt	<u>\$ 1,321,422</u>	<u>\$ -----</u>	<u>\$ 308,422</u>	<u>\$ 1,013,422</u>	<u>\$ 320,422</u>

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 RUSTON, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 8 - BONDS PAYABLE (Continued)

Payments on the bonds payable that pertain to the District's governmental activities are made by the debt service fund. The accrued vacation and sick time will be liquidated primarily by the General Fund. Payment of compensated absences is dependent upon many factors; therefore, the timing of future payments is not readily determinable.

Principal and interest requirements to retire the District's bonds payable obligation is as follows:

Year Ended December 31,	Certificates of Indebtedness Series 2004	
	Principal	Interest
2004	\$ 320,000	\$ 37,193
2005	335,000	23,946
2006	<u>350,000</u>	<u>7,839</u>
Total	<u>\$ 1,015,000</u>	<u>\$ 69,078</u>

NOTE 9 - FEDERALLY ASSISTED PROGRAMS

The Fire Protection District has one federally financial assisted program in the amount of \$34,785 for the current period. A schedule of federally assisted program activity has been presented in accordance with the Office of Management and Budget Circular A-133, "Audits of State and Local Governments".

NOTE 10 - DEFERRED COMPENSATION PLAN

Employees of the Lincoln Parish Fire Protection District No. 1 may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

**LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 10 - DEFERRED COMPENSATION PLAN (Continued)

The deferred compensation plan is administered by PERSCO (Public Employee Benefit Service Corporation) and Hartford, Inc. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by PERSCO until paid or made available to the employee or beneficiary, are the property of the District, subject only to the claims of the District's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the District, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The District believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

As part of its fiduciary role, the District has an obligation of due care in selecting the third-party administrator. In the opinion of the District's legal counsel, the District has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

NOTE 11 - LITIGATION

At December 31, 2003, according to the Parish District Attorney, the District had no pending litigation.

NOTE 12 - COMPENSATION FOR THE BOARD OF COMMISSIONERS

The members of the Board for the Fire Protection District receive no compensation.

NOTE 13 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget/Actual Unfavorable Variances

When comparing budget to actual amounts for the year ended December 31, 2003, no funds had an unfavorable variance for expenditures of greater than 5%.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 RUSTON, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Resources (Inflows):				
Intergovernmental:				
Local grant	\$ 4,500	\$ 33,371	\$ 34,930	\$ (421)
Charges for services	481,400	498,100	498,100	-
Other Revenues	43,250	71,061	72,741	1,680
Transfers from Other Funds	-	-	-	-
Amounts Available for Appropriation:	<u>529,150</u>	<u>602,532</u>	<u>605,771</u>	<u>1,239</u>
Changes to Appropriations (Outflows):				
Public safety:				
Salaries and benefits	281,233	284,830	277,967	(8,883)
Insurance and county bonds	31,800	31,250	31,250	-
GIS Mapping	28,000	28,000	28,000	-
Professional services	1,400	6,300	6,400	(191)
Uniforms	10,000	13,250	13,235	(15)
Utilities	20,000	22,000	22,781	781
Vehicle expenditures	12,000	13,100	13,098	(2)
Maintenance	23,000	23,300	26,948	(152)
Education and training	3,000	1,285	1,127	(48)
Telephone	6,000	3,700	3,603	(97)
Office supplies	3,000	2,500	2,441	(59)
Publications, dues and subscriptions	5,200	5,000	5,106	116
Equipment rental	750	600	647	(8)
Travel	1,500	1,000	1,086	(84)
Miscellaneous	1,000	890	888	(2)
Leases and taxes	850	810	886	(74)
Materials and supplies	13,000	6,800	6,617	(183)
Capital Outlay	33,000	48,100	47,600	(494)
Transfers To Other Funds	163,211	112,062	130,926	8,864
Total Changes to Appropriations	<u>340,266</u>	<u>605,192</u>	<u>608,791</u>	<u>1,258</u>
Excess of Resources Over (Under)	-	-	-	-
Fund Balance at Beginning of Year	508,232	508,232	508,232	-
FUND BALANCE AT END OF YEAR	<u>\$ 508,232</u>	<u>\$ 508,232</u>	<u>\$ 508,232</u>	<u>\$ -</u>

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 BUSTON, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2001

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Revenues (Inflows):				
Special sales and use tax	\$ 487,425	\$ 365,965	\$ 279,534	\$ 12,589
Other Revenues	1,808	1,700	3,186	186
	<u>489,233</u>	<u>367,665</u>	<u>282,720</u>	<u>12,775</u>
Amounts Available for Appropriation	<u>411,215</u>	<u>268,165</u>	<u>282,840</u>	<u>13,675</u>
Changes to Appropriations (Outflows):				
Miscellaneous	350	300	300	-
Principle	300,000	300,000	300,000	-
Interest	50,878	58,878	50,878	-
Total Changes to Appropriations	<u>351,228</u>	<u>359,178</u>	<u>351,178</u>	<u>-</u>
Excess of Revenues Over (Under)	68,005	(91,013)	(68,458)	13,675
Fund Balance at Beginning of Year	<u>740,415</u>	<u>740,415</u>	<u>740,415</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 808,420</u>	<u>\$ 649,402</u>	<u>\$ 671,957</u>	<u>\$ 13,675</u>

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 BUSTON, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE - EQUIPMENT RESERVE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Resources (Inflows):				
Other Resources	\$ 77,808	\$ 40,808	\$ 38,442	\$ (39,366)
Transfers From Other Funds	118,231	87,187	99,936	8,809
Amounts Available for Appropriation	<u>196,039</u>	<u>127,995</u>	<u>138,378</u>	<u>8,281</u>
Changes to Appropriations (Outflows):				
Public safety	200,808	-	-	-
Total Changes to Appropriations	<u>200,808</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Resources Over (Under)	(54,769)	127,995	138,378	8,281
Fund Balance at Beginning of Year	<u>2,090,328</u>	<u>2,090,328</u>	<u>2,099,328</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,035,559</u>	<u>\$ 2,218,323</u>	<u>\$ 2,237,706</u>	<u>\$ 8,281</u>

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 BUSTON, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE - FIRE TRAINING CENTER
 FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Resources (Inflows):				
Intergovernmental:				
Local grant	\$ 158,000	\$ 50,800	\$ 25,800	\$ (25,800)
Other Revenues	2,600	3,100	3,100	18
Transfers From Other Funds	-	-	25,000	25,000
	<u>260,600</u>	<u>53,900</u>	<u>53,900</u>	<u>18</u>
Amounts Available for Appropriation	<u>260,600</u>	<u>53,900</u>	<u>53,900</u>	<u>18</u>
Changes to Appropriations (Outflows):				
Professional Services	23,000	-	8,912	8,912
Maintenance	25,000	850	884	34
Office Supplies	300	41	41	-
Construction Costs	383,200	1,670	1,789	39
Acquisition of training props	23,800	-	-	-
Total Changes to Appropriations	<u>758,300</u>	<u>2,561</u>	<u>12,686</u>	<u>18,045</u>
Excess of Resources Over (Under)	(177,900)	58,539	48,502	(18,027)
Fund Balance at Beginning of Year	<u>269,152</u>	<u>269,152</u>	<u>269,152</u>	<u>-</u>
FUND BALANCE AT END-OF-YEAR	<u>\$ 121,252</u>	<u>\$ 348,691</u>	<u>\$ 318,654</u>	<u>\$ (18,027)</u>

WILLIAM R. HULSEY

A PROFESSIONAL ACCOUNTING CORPORATION
211 FOREYBELL AVENUE
BIRMINGHAM, LOUISIANA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

MALENGE ADDRESS
P.O. BOX 2611
MONROE, LOUISIANA 70001
(504) 850-9900
FAX (504) 851-9901

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Lincoln Parish Fire Protection District No. 1
Bossier, Louisiana

I have audited the financial statements of Lincoln Parish Fire Protection District No. 1 as of and for the year ended December 31, 2003, and have issued my report thereon dated May 20, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Lincoln Parish Fire Protection District No. 1's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Lincoln Parish Fire Protection District No. 1's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the committee, the Legislative Auditor, the Lincoln Parish Police Jury and federal receiving agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

WILLIAM R. HULSEY
Certified Public Accountant



May 28, 2004

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 RUSTON, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 WITH NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

Federal Grants/Pass Through Grantee/Program Title	Federal CFDA Number	Program or Award Amount	Revenue Recognized	Expenditures
Federal Emergency Management Agency				
Assistance to Firefighters Grant	83.554	EMW2003FC696715	<u>\$ 30,788</u>	<u>\$ 30,788</u>

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the District. The District is defined in Note 1 to the District's financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the District's financial statements. The information in this schedule is presented in accordance with the requirements of COMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the basic financial statements.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
BUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2003

SECTION I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Reportable condition (s) identified that are not considered to be material weakness (es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	No
Reportable condition (s) identified that are not considered to be material weakness (es)?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 310 (a) of Circular A-133?	No
Dollar threshold used to distinguish between type A and type B programs?	\$300,000
Auditor qualified as low-risk auditor?	No

SECTION II – Financial Statement Findings

No matters were reported.

SECTION III – Federal Award Findings and Questioned Costs

No matters were reported.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2003

There were no prior year findings in our report issued June 9, 2003.